

April 2, 2004

HR Directors:

We continue to be asked whether we think the proposed amendments to K.A.R. 1-9-4 will pass, and if employees should be told about the changes so they can plan. As long as you understand that Harrah's never loses money on me, I will say that I think the amendments will pass, and that you can tell employees. If you are more cautious than me, you could explain that nothing can be certain until after the May 11 public hearing, but the odds are very good.

Earlier this week, the Joint Committee on Rules and Regulations considered the proposed amendments. The Committee does not approve regulations, they only indicate if they have concerns. In hearing the proposed changes to K.A.R. 1-9-4, the Committee indicated they had no concerns.

Given that the proposed changes have now been approved by the Department of Administration's Legal Section and the Attorney General's Office; that we have not yet received any expression of concern as a result of publishing these proposed changes in the *Kansas Register* on March 11; that the only hurdle to clear is the public hearing scheduled for May 11; and that we anticipate no objections will surface at the May 11 public hearing – we believe it is reasonable to assume that the changes will go as proposed. We will need to make one small change to the regulation (the effective date) but that will not slow down the process at all. While this isn't a done deal, we think it is safe to present these changes as 95% there, and (if you feel the need, or are pressed) to say that unless something unforeseen surfaces at the hearing, these changes will occur.

If you want to take another look at the proposed amendments, they are at <http://da.state.ks.us/ps/documents/regs/proposed.htm>.

We will get final word to you as soon as we can after the hearing. I hope this helps.

Jack